October 18, 2016

City of Cresco
131 North Park Place
Cresco, Iowa 52136

Executive Secretary
Iowa Utilities Board
1373 E. Court Avenue, Room 69
Des Moines, Iowa 50319-0069

Re: Docket No. TF-2016-0321

To: The Honorable Members of the Iowa Utilities Board

The City of Cresco (Iowa) appreciates the opportunity to comment on the issues raised by Docket No. TF-2016-0321 because the net metering tariff of IPL/Alliant is very important to us.

Our primary concern is the ambiguity of Alliant's proposed tariff regarding the ownership of the distributed generation facility. We are the purchasing party in a third-party solar power purchase agreement (SPPA), with 340kWDC of installed solar on city property that has been leased to SolarPro, LLC, a local investor. We entered into this agreement because we felt that we have a fiduciary responsibility to our taxpayers to explore all reasonable ways to save money. We hope and expect that the arrangement will allow the city to save approximately $500,000 in costs over the life of the agreement. While this is not a significant amount of money to larger cities, it is very important to us.

It is critical to us as a city that third-party ownership be clearly allowed in the net metering context. Moreover, we believe that SPPAs are a reasonable way for non-tax-paying entities to access the benefits of solar and use their limited funding wisely. Without a clear statement of neutrality regarding ownership, this door will be closed to other small cities and non-profit organizations that are just trying to "do right" by their taxpayers and donors. All of the arrangements of the SPPA take place on the customer's side of the electricity meter, so why should Alliant have any right to interfere with our—and other organizations' -- ability to contract with other parties as we see fit?

The *Eagle Point Solar* decision by the Iowa Supreme Court made SPPAs legal in Iowa, but without clear access to net metering, the decision is meaningless. Moreover, the development of distributed generation and alternative energy among non-taxpayers in the state will be effectively stopped, contrary to the state's and the Board's clear objective to expand it. We hope that you will require Alliant to re-state its proposed tariff and clarify that third-party ownership of the generating facilities is allowed.

Our second concern is the cash-out provision, with respect to the timing, the amount, and the required "donation" section. While we do not have a full year's experience with our system, discussions with local solar owners have made it clear to us that January 1st is not a logical date for the cash-out. We did considerable analysis to ensure that our systems were all right-sized over their lifetime, meaning that they will necessarily generate more power than needed in the summer and less in the winter, which we understand to extend through approximately March 31st. Requiring a new solar installation to cash out on January 1st will clearly result in a *de facto* restriction on the logical installation size.

In addition, the selection of the "avoided cost" rate (as defined by Alliant) ignores the widely acknowledged benefits of solar and under-reimburses us. We believe that a "cost of solar" study should be commissioned from an independent party in order to select the cash-out rate; in the absence of such a study, we believe that the retail rate is more appropriate for all systems that have clearly been sized to their average annual usage.

Finally with respect to the cash-out: We disagree with the proposal to mandate a 50% "donation" to Alliant's Hometown Care Energy Fund. It is unclear to us why one non-taxpaying entity should be forced to donate to another.

Our <u>third and final concern</u> is with the restriction of net metering to "100 percent of the Customer's load," where Alliant has selected an obscure definition of "load". We completely agree with limiting both the size of the installation and net metering to 100% of the average annual energy usage, but Alliant's definition of "load" would – by their own example – effectively restrict the size of future solar installations. This would be contrary to the state objective of both the state and the Board to expand alternative energy and distributed generation in Iowa.

Finally, we would like to restate a general comment from our earlier submission: We are aware that the investor-owned utilities have asserted that there is cross-subsidization between ratepayers who have solar installed and those who don't. We have many city residents who cannot install solar for either financial or location reasons, and we would not want to see solar expand in the state at their expense. We believe that resolution of this issue requires that the Board undertake an independent "value of solar" study (or, alternatively, accept the results of such a study from a similar state).

Again, we appreciate the opportunity to comment. Should you have any questions about this input, please do not hesitate to contact us at 563-547-3101.

Respectfully submitted,

/s/ Mark Bohle
Mayor, City of Cresco

/s/ Michelle Girolamo
City Clerk, City of Cresco

/s/ Rodney Friedhof
Public Works Director, City of Cresco